



CENTRAL INTELLIGENCE AGENCY

Office of Congressional Affairs

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Please find attached statements which were prepared for witnesses at the Money Laundering Oversight Hearings on 15 November, before the Subcommittee on Financial Institutions Supervision, Regulation and Insurance of the House Banking, Finance and Urban Affairs Committee.

The transcript will not be available for several months, but we will order one for you as soon as it becomes available.



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SUBCOMMITTEE ON FINANCIAL INSTITUTIONS SUPERVISION,
REGULATION AND INSURANCE

Oversight Hearings on Money Laundering

Wednesday, November 15, 1989

2128 Rayburn HOB

10:00 a.m.

Panel 1

Honorable Salvatore R. Martoche, Assistant Secretary for
Enforcement, Department of Treasury, accompanied by:

Mr. William Rosenblatt, Assistant Commissioner, Office
of Enforcement, U.S. Customs Service;

Mr. Robert Serino, Deputy Chief Counsel, Office of the
Comptroller of the Currency; and

Mr. Thomas Wyse, Acting Assistant Commissioner, Office
of Criminal Investigations, Internal Revenue Service

Mr. Larry A. Potts, Section Chief, White-Collar Crimes Section,
Criminal Investigative Division, Federal Bureau of Investigation

Mr. Terrence M. Burke, Acting Deputy Administrator, Drug
Enforcement Administration

Panel 2

Ms. Laurie Thies, Loss Investigation Officer, Puget Sound Bank,
Tacoma, Washington

Mr. Cliff E. Cook, Vice President and Compliance Officer, Puget
Sound Bank, on behalf of the American Bankers Association

**CLOSING STATEMENT OF
THE HONORABLE FRANK ANNUNZIO
AT MONEY LAUNDERING HEARINGS**

Wednesday, November 15, 1989

I want to thank our witnesses today for testifying on the efforts of the federal government and the banks to stop money laundering. The profit motive is what drives drug dealers. Our witness yesterday testified how, by and large, the members of the drug cartels do not themselves use drugs. They do it for wealth.

The testimony of Ms. Theis was an excellent example of the assistance that banks can provide to law enforcement officials in the fight against drugs.

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Unfortunately, not enough bankers have taken this path. There are still too many reports of bankers' complicity with money laundering, such as the the indictment of a bank official in Louisiana two weeks ago, and the indictment of a bank employee in California three weeks ago.

The good ought to be rewarded, and the bad need to be punished.

The drug war is one in which nobody can remain neutral. Bankers must decide which side they want to be on. I see encouraging signs that they increasingly are working with the good guys but there are still too many examples of non-compliance and complicity.

The law enforcement officials must also work more closely together. Intra-agency sniping must stop. If the drug dealers can form cartels, it's time for the law enforcement officials to do likewise.

**OPENING STATEMENT
OF
LARRY A. POTTS
SECTION CHIEF
WHITE-COLLAR CRIMES SECTION
CRIMINAL INVESTIGATIVE DIVISION
FEDERAL BUREAU OF INVESTIGATION
BEFORE THE
SUBCOMMITTEE ON FINANCIAL INSTITUTIONS
SUPERVISION, REGULATION AND INSURANCE
OF THE
COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES
WASHINGTON, D.C.
NOVEMBER 15, 1989**

Statement

of

TERRENCE M. BURKE
Acting Deputy Administrator
Drug Enforcement Administration

before

the

Subcommittee on Financial Institutions
Supervision, Regulation and Insurance
Committee on Banking, Finance and Urban Affairs
U.S. House of Representatives

concerning

Money Laundering

on

November 15, 1989

Testimony of the Honorable Salvatore R. Martoche
Assistant Secretary of the Treasury for Enforcement
before the
House Committee on Banking, Finance and Urban Affairs
Subcommittee on Financial Institutions Supervision,
Regulation and Insurance
November 15, 1989

Thank you for the opportunity to testify here today about activities and programs of the Department of the Treasury to combat money laundering with special emphasis on recent initiatives in the Bank Secrecy Act area.

With me are three key players in Treasury's fight against money laundering: Brian Bruh, Deputy Assistant Commissioner, Criminal Investigation, Internal Revenue Service; William Rosenblatt, Assistant Commissioner for Enforcement, U.S. Customs Service; and Robert B. Serino, Deputy Chief Counsel, Comptroller of the Currency.

Those gentlemen will join me in responding to the Committee's questions.

STATEMENT
OF
LAURIE THIES
OF
PUGET SOUND NATIONAL BANK
TACOMA, WASHINGTON
ON
ANTI-MONEY LAUNDERING EFFORTS
BEFORE THE
SUBCOMMITTEE ON FINANCIAL INSTITUTIONS, SUPERVISION
REGULATION AND INSURANCE
OF THE
COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

NOVEMBER 15, 1989

STATEMENT
OF
CLIFF E. COOK
ON BEHALF OF
THE AMERICAN BANKERS ASSOCIATION
ON
MONEY LAUNDERING DETERRENCE
BEFORE THE
SUBCOMMITTEE ON FINANCIAL INSTITUTIONS, SUPERVISION,
REGULATION AND INSURANCE
OF THE
COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
NOVEMBER 15, 1989